

Real Progress Through a Difficult Period, and Improvement Ahead

In spite of widespread economic uncertainty during 1970, the company made favorable progress in the six months ended November 30.

Income after deductions for current income tax, but before deferred income tax, depreciation and amortization, amounted to \$141,005 during the six month period in 1970, compared to \$73,622 for the similar period in 1969. This amount — a 90% gain — was equivalent to 31c per share for the six months. The improved position was largely due to new revenue from the 45-unit addition to *Spuraway*.

After provision for deferred income tax, depreciation and amortization, income for the six-month period in 1970 was \$43,578 compared to \$33,084 in 1969.

An interim dividend of 6c per share was paid on November 30, 1970.

The addition of the *Ritz International Hotel* to the International Land group substantially augmented total gross revenue, which rose to \$1,080,612 in the six months of 1970, from \$306,670 in the six-month period in 1969. The overall picture would have been materially better had it not been for the hotel employees' strike from June 16 to July 20, which adversely affected *Ritz International Hotel* operations during the height of the tourist season. Following a labor settlement under a two-year contract, we are looking forward to improved revenues from the *Ritz* in 1971.

The program of room renovation at the *Ritz* is continuing, and the restaurant, *Erling's Bodega*, on the lower mezzanine, has been completely refurbished, and is operating successfully. Continuing the improvement program, the exterior of the hotel has been repainted, and a new canopy added to enhance the attractiveness of the main entrance on *Georgia Street*.

den Apartments and the waterfront *Seastrand* continues to attract people from far and wide, and with a total of 275 dwelling units, the vacancy rate continues at less than 1%.

Plans for the *Panorama Village* development in West Vancouver have been favorably reported on by the Advisory Design Panel appointed by the Municipality, and will be brought before the newly elected Council of the Municipality for its consideration early in the year. Meanwhile, the Provincial Government has once again called tenders for enlarging the Upper Level Highway from two to four lanes, and this will have a favorable influence on the *Panorama Village* concept.

Your company is presently engaged in the construction of a 36-unit condominium pleasantly located in the Fraser Valley. Owing to the acquisition of land at low cost, combined with favorable financing arrangements, these 2-storey, 3-bedroom town houses will sell for \$16,500 with a down payment of only \$800. Financing on a 95% loan basis has been provided by the Central Mortgage and Housing Corporation at 9½% with 30-year amortization. This half million dollar development will be completed in mid-1971, yielding a reasonable profit to further enhance our subsequent cash flow position.

With the company's properties and projects demonstrating real progress in spite of a difficult period for business in general, and with the *Ritz Hotel* now coming in to a position where a significant contribution is possible, we look forward to a year of increased profitability in 1971.

GILBERT G. BRADNER,
President and Managing Director

January 20, 1971.

The style of life offered by the *Spuraway Gar-*

BALANCE SHEET AS AT NOVEMBER 30, 1970

(with comparative figures for 1969)

ASSETS

	1970	1969
Cash	\$ 12,148	\$ 13,039
Accounts and notes receivable	55,498	34,014
Inventories: at cost	15,601	
Condominiums under construction	52,175	
Mortgages receivable	180,881	205,194
Revenue properties: at cost		
Less accumulated depreciation of \$197,690 (1969: \$149,984)	4,150,309	4,182,003
Equipment and leasehold interests:		
hotel: less accumulated depreciation and amortization of \$55,600	1,280,867	
Sundry equipment	667	2,233
Investment in partnership venture	100,000	100,000
Equity in assets held by trustee	154,256	231,396
Investment in dormant subsidiary company	331	331
Deferred expenses: operating	37,885	14,016
Incorporation and deferred finance expenses	15,605	22,250
	<u>\$6,056,223</u>	<u>\$4,804,476</u>

LIABILITIES

Bank loans (secured)	\$ 554,224	\$ 25,000
Accounts payable	170,724	133,021
Income taxes payable	11,309	11,309
Mortgages and agreements payable	3,314,822	2,698,701
Notes payable	125,000	150,000
Deferred taxes on income	152,063	80,800
	<u>\$4,328,142</u>	<u>\$3,098,831</u>

SHAREHOLDERS' EQUITY

Capital Stock		
Authorized: 1,000,000 common shares of no par value		
Issued and fully paid: 450,000 shares	\$ 905,400	\$ 905,400
Retained earnings	822,681	800,245
	<u>\$1,728,081</u>	<u>\$1,705,645</u>
	<u>\$6,056,223</u>	<u>\$4,804,476</u>

EARNINGS AND RETAINED EARNINGS
FOR THE SIX MONTHS ENDED NOVEMBER 30, 1970
(with comparative figures for 1969)

INCOME

	1970	1969
Gross rentals and hotel income.....	\$1,080,612	\$ 306,670
Interest and sundry income.....	6,896	11,610
	<u>\$1,087,508</u>	<u>\$ 318,280</u>

EXPENSES

Cost of sales and direct expenses.....	\$ 702,686	\$ 109,608
General and administrative expenses.....	82,175	26,545
Interest: mortgages, agreements, notes.....	153,087	98,026
Depreciation allowances.....	29,927	20,088
Amortization allowances.....	36,000	
Finance costs written off.....	4,785	6,709
	<u>\$1,008,660</u>	<u>\$ 260,976</u>
Earnings before taxes on income.....	<u>\$ 78,848</u>	<u>\$ 57,304</u>

TAXES ON INCOME

Current.....	\$ 3,770	\$ 3,770
Deferred.....	31,500	20,450
	<u>\$ 35,270</u>	<u>\$ 24,220</u>
Net earnings for the period.....	<u>\$ 43,578</u>	<u>\$ 33,084</u>

OPENING RETAINED EARNINGS

806,103	767,161
<u>\$ 849,681</u>	<u>\$ 800,245</u>

Deduct dividends paid.....	27,000	—
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CLOSING RETAINED EARNINGS

<u>\$ 822,681</u>	<u>\$ 800,245</u>
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Note: A statement of source and application of funds has not been prepared as it would not be meaningful.

INTERNATIONAL LAND CORPORATION LTD.

Business Office:

Suite 103, 150 - 24th Street,
West Vancouver, B.C.

Officers and Directors:

WARREN A. DAKIN,

Chairman of the Board

GILBERT G. BRADNER,

President and Managing Director

ERLING MABERG,

*Director, and General Manager,
Hotel Operations*

ROSS G. McCULLOCH,

Secretary and Director

FREDERICK E. RUSSELL,

Director

MATTHEW S. WALKER,

Director

Authorized Capital:

1,000,000 Common Shares, without par value,
of which 450,000 have been issued
as at November 30, 1970.

Stock Listed:

Vancouver Stock Exchange

Bankers:

Toronto-Dominion Bank
Bank of Montreal

Auditors:

Turnbull, Johnson & Co.,
Chartered Accountants,
Vancouver, B.C.

Transfer Agent and Registrar:

The Canada Trust Company,
Vancouver, B.C.

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International Land Corporation Ltd.

**SEMI-ANNUAL REPORT
FOR SIX MONTHS ENDED
NOVEMBER 30, 1970**

